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west virginia department of environmental protection

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Division of Water and Waste Management  
601 57<sup>th</sup> Street, SE  
Charleston, WV 25304  
Phone: 304-926-0495 / Fax: 304-926-0463

Harold D. Ward, Cabinet Secretary  
dep.wv.gov

**MEMORANDUM**

**To:** Marie Prezioso, Chair  
Meredith J. Vance, Director, Environmental Engineering Division, BPH

**From:** Katheryn Emery, P.E., Program Manager  
Sewer Technical Review Committee

**Date:** August 15, 2025

**Subject:** Lubeck Public Service District  
IJDC Application - 2025W-2691  
Emerging Contaminants Pine Run Road Water Line Extension

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1. This committee has reviewed the preliminary application and engineering report submitted for the above referenced project in accordance with Chapter 31, Article 15A. It has been determined that the proposed project is:
  - a. ☒ Consistent with the intent of the Infrastructure and Jobs Development Act and is the most cost-effective, environmentally sound alternative for solving the water needs in this area.
  - b. ☐ Not consistent with the Act and may not be the most cost effective, environmentally sound alternative for solving the wastewater needs in this area.
  - c. ☐ Same as (a) above except that certain issues need to be addressed prior to design and construction as the attached comments indicate.
2. Our recommendation is that:
  - a. ☒ The Funding Committee needs to review the proposed sources of funding to determine the best mix of grant and/or loan funds in accordance with applicable guidelines.
  - b. ☐ The Funding Committee should recommend that the Council approve the proposed project and its funding plan.

Promoting a healthy environment.

- c.    \_\_\_    The Funding Committee does not need to review the funding assumptions on this project because of deficiencies in the engineering report. The proposed project should be tabled for the consultant to address technical comments.
- d.    \_\_\_    This project should be referred to the Consolidation Committee.

3. Other remarks:

This project will extend water service to 12 new customers along Pine Run Road where six of the customers wells in the area have been tested and showed PFOA/PFAS levels ranging from 2 parts per trillion (PPT) to 190 PPT. The EPA has set a Maximum Contaminant Level (MCL) of 4 Parts Per Trillion (PPT) for PFOA/PFAS. This project will provide safe and reliable water.

The total cost for this project is \$1,550,000 and the PSD intends to pursue DWTRF Emerging Contaminants Funds for the entire project cost.

Preliminary Project Ratings:

Public Health Benefits:	20
Compliance with Standards:	20



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Harold D. Ward, Cabinet Secretary  
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**MEMORANDUM**

**TO:** Katheryn Emery, P.E., Program Manager, DWWM

**FROM:** Cali Carter, P.E., DWWM

**DATE:** July 23, 2025

**SUBJECT:** Lubeck Public Service District  
IJDC Application - 2025W-2691  
Emerging Contaminants Pine Run Road Water Line Extension

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**RECOMMENDATION**

The IJDC Application and Preliminary Engineering Report prepared by The Thrasher Group, Inc. for the above referenced project have been reviewed and are technically feasible.

**PROJECT DESCRIPTION**

The Lubeck Public Service District (PSD), located in Wood County, West Virginia, owns and operates a Class III water treatment plant (WTP), six (6) water storage tanks, two (2) booster pump stations and approximately 170 miles of main water line under the Public Water System Identification (PWSID) No. 3305404. The WTP has a treatment capacity of 1.5 million gallons per day (GPD) and the system has a storage capacity of 2.24 million gallons between the six storage tanks. These facilities provide potable water to approximately 4,901 residential customers, 159 commercial customers, 6 industrial customers, and 19 public authorities.

This project proposes to install approximately 18,000 Linear Feet of water line along Pine Run Road in order to serve 12 new residential customers. This extension will connect to the recently installed New England Ridge water line and extend along Pine Run Road to State Route 68, creating a loop within the system.

The proposed total cost for this project is \$1,550,000 and the PSD intends to pursue DWTRF Emerging Contaminants Grant Funds for the entire project cost.

The current monthly rate is \$38.93 (1.80% MHI) for 3,400 gallons, and there is no rate increase expected to be associated with this project.

### **NEED FOR PROJECT**

The Pine Run Road area of Wood County, West Virginia has become contaminated with multiple different PFAS analytes due to chemical leaching at the Dry Run Landfill. The landfill is within one (1) mile of Pine Run Road and the 12 residential customers on Pine Run Road have PFOA/PFAS contaminated wells. The EPA has set a Maximum Contaminant Level (MCL) of 4 Parts Per Trillion (PPT) for PFOA/PFAS. Six wells in the area have been tested, with results showing PFOA levels ranging from 2 PPT to 190 PPT. Based on the knowledge of contamination in this area, it's likely that the untested wells on Pine Run Road are also contaminated with PFOA/PFAS.

### **DEFICIENCIES/COMMENTS**

- Using the Combined Application, the Design, and Total Engineering Fees appear to be within the ASCE Curves.
- The PSD should ensure that they have completed a cybersecurity vulnerability assessment and pursue any applicable cybersecurity improvements.
- The PER does not include WTP average flow and daily run time.

#### **Preliminary Project Ratings:**

Public Health Benefits: 20  
Compliance with Standards: 20

# Public Service Commission of West Virginia

201 Brooks Street, P.O. Box 812  
Charleston, West Virginia 25323

Phone: (304) 340-0300  
Fax: (304) 340-0325



August 11, 2025

Meredith J. Vance  
Office of Environmental Health Services  
350 Capitol Street, Room 313  
Charleston, West Virginia 25301-3713

Re: Public Service Commission Staff Review Comments  
Application No. 2025W-2691  
Lubeck PSD – Waterline Extension (Pine Run Road)  
Infrastructure Preliminary Application

Dear Ms. Vance:

As requested, the Technical Staff of the Public Service Commission of West Virginia has completed its review of the above-referenced Infrastructure application. In light of Technical Staff's comments enclosed herewith, we are recommending the application be:

☒ Forwarded to the Funding Committee

☐ Forwarded to the Consolidation Committee

☐ Returned to the Applicant

Please advise if you have any questions.

Sincerely,

*Brandon Crace*

Brandon Crace  
Engineering Division

Enclosures  
BC:

**PUBLIC SERVICE COMMISSION STAFF  
TECHNICAL REVIEW**

**DATE:** August 11, 2025

**PROJECT SPONSOR: LUBECK PSD – WATER**

**PROJECT SUMMARY:** Lubeck PSD is proposing to extend water service to approximately 12 potential customers along Pine Run Road.

**PROPOSED FUNDING:** DWTRF Emerging Contaminant PFL \$1,550,000

**CURRENT RATES:** \$38.93 3,400 gallons  
\$45.80 4,000 gallons

**PROPOSED RATES:** \$43.45 3,400 gallons  
\$51.12 4,000 gallons

Application No. 2025W-2691

**RECOMMENDATION:** ☒ Forward to the Funding Committee  
☐ Forward to the Consolidation Committee  
☐ Return to the Applicant

**FINANCIAL:** Stephen Edens

1. Current rates (\$38.93 for 3,400 gallons) are below the rate attributable to 1.25% (\$50.74), 1.5% (\$60.89), 1.75% (\$71.04) and 2.0% (\$81.19) of the Median Household Income (MHI). Increasing current rates to 1.25%, 1.5%, 1.75%, and 2.0% of the MHI would provide additional revenues of \$803,790, \$1,494,437, \$2,185,083, and \$2,875,729 respectively.
2. Using Scenario 1, the preferred funding package consisting of an DWTRF Emerging Contaminant PFL of \$1,550,000, proposed rates (\$43.45 for 3,400 gallons) will provide a cash flow surplus of \$7,357 and debt service coverage of 159.04%.
3. Using the Scenario 2 alternate loan package of \$1,550,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates (\$45.05

for 3,400 gallons) will provide a cash flow surplus of \$6,496 and debt service coverage of 152.83%.

#### 4. NOTES TO COMMENTS:

- A. Staff's detailed adjustments are listed on Attachment A for Scenario 1 (Preferred Funding Package) and Attachment B for Scenario 2 (Loan Package).
- B. The Going Level and Proforma adjustments included in the Applicant's Cash Flow Analyses for Scenarios 1 and 2 were used in Staff's Cash Flow Analyses, except as noted on Attachments A and B.
- C. Staff prepared the attached Cash Flow Analysis utilizing information from the Annual Report for the Fiscal Year Ended June 30, 2024, and the applicant's Cash Flow Exhibit submitted with the application.
- D. Staff notes the Applicant is requesting a waiver of Rule 42 Exhibit requirement.
- E. Staff notes the Applicant's cash flow analyses include going level rates of \$43.45 (for 3,400 gallons), however, as of this date no information reflecting an increase has been filed with the Commission. Staff included these rates in its analyses.
- F. Senate Bill 234, effective June 12, 2015, required water and sewer utilities that are political subdivisions of the state to maintain a cash working capital reserve in an amount of no less than one-eighth (1/8) of actual annual operation and maintenance expenses. It should be noted that the cash flows provided by the project sponsor include funding for the 1/8 cash working capital reserve. Staff accepted that amount in its analyses. However, this amount may be reviewed by the Commission in future filings in accordance with Public Service Commission General Order 183.11.
- G. Based on the District's per books adjusted deficit it should consider pursuing a resolution to adjust rates and resolve any deficiencies. The District should carefully evaluate its revenue requirements before pursuing a rate increase in order to ensure that rates are sufficient to provide a reasonable surplus and meet coverage requirements. Staff notes that the District is a political subdivision of the state and it has at

least 4,500 customers and annual gross revenues of \$3 million or more. Therefore, in accordance with Senate Bill 234, effective June 12, 2015, the Commission has no jurisdiction regarding the District's rates pursuant to WV Code 24-2-4a and WV Code 16-13A-9. However, the Commission does have jurisdiction pursuant to WV Code 24-2-1 (b)(6) for the investigation and resolution of disputes involving political subdivisions of the state regarding inter-utility agreements, rates, fees and charges, service areas and contested utility combinations.

**ENGINEERING:** Brandon Crace

1. Pursuant to House Bill 2742 passed in the 2025 Legislative Session, this project will not require a Certificate of Convenience and Necessity from the PSC.
2. Scope: Lubeck PSD is proposing to extend water service to approximately 12 potential customers along Pine Run Road. The proposed project scope includes: 18250 LF of 6-inch PVC waterline, 160 LF of 6-inch HDPE horizontal direction drill, 100 LF of 12-inch STL. CSG. open cut, 350 LF of 3/4-inch polyethylene service line (open cut), 125 LF of polyethylene service line (bore and jack, w/2-inch casing), three (3) 3/4-inch air release valve assemblies, twelve (12) 5/8-inch high pressure meter setting (with new meters), five (5) 6-inch gate valves, 3 fire hydrants, 400 LF of WVDOT Type "C" Trench Repair, 500 LF of gravel driveway/road repair, 500 LF of asphalt road repair, 2 tie into existing 6-inch waterline (w/6-inch hymax fitting or solid MJT sleeve), 500 LF of stream bank protection, 17,200 LF of restoration of disturbed areas, erosion and sediment control, pre-construction video, and all necessary appurtenances. The estimated construction cost is \$1,195,000 (includes 10.28% construction contingency), and the estimated total project cost is \$1,550,000 (includes 3.11% project contingency).

Need: The PER indicates that residents of Dry Run Road live within close proximity of the Dry Run Landfill. The residents are currently served by private wells. Some well sample results indicate PFOA levels ranging from 2 PPT to 190 PPT, and it is likely that the untested wells are also contaminated. In April of 2024, the EPA announced a Maximum Contaminant Level (MCL) of 4 PPT for PFOA/PFAS contaminants found in drinking water sources.

Customer Density: Based upon the provided water main pipe quantities (18,410



LF), the proposed water line extensions total approximately 3.49 mile. This is approximately equivalent to 3.5 customers per mile.

Cost per Customer: Based upon the estimated total project cost of \$1,550,000, and proposing to have 12 new customers, the cost to serve each new customer is \$129,167. However, the proposed project is 100% grant and contribution funded; therefore, the proposed borrowing is \$0.

3. Project Feasibility: The project appears to be technically feasible and poses little technical risk.
4. Project Alternatives: The PER did include an evaluation of alternatives: Alternative #1 – Pine Run Road Water Line Extension, and Alternative #2 – Do Nothing. The PER indicates that Alternative #1 was selected as it is a reasonable approach to provide water service to the unserved area.
5. Consolidation: There are no consolidation opportunities presented by this project.
6. Operation and Maintenance (O&M) Expenses: The PER indicates the proposed project scope will increase O&M expenses by approximately \$8,802 annually. A breakdown of changes to O&M was included with the PER, and suggests that costs are estimated to increase primarily due to the labor, materials and supplies, treatment, and general expenses.
7. Engineering Agreement: The application includes information to determine compliance with West Virginia Code §5G-1-1, *et seq.* Total technical services (engineering) costs for the project are \$223,500, which is equal to 18.70% of the construction cost of \$1,195,000 (includes 10.28% construction contingency).
8. Deficiencies/Comments:
  - The PER includes copies of signed user agreements, and these agreements mention pressure. However, there is no indication what the provided pressures at the meters or premises would be.

LUBECK PUBLIC SERVICE DISTRICT - WATER  
CASH FLOW ANALYSIS  
YEAR ENDED: June 30, 2024  
APPLICATION NO. 2025W-2691  
August 11, 2025

**PREFERED FUNDING PACKAGE  
SCENARIO 1**

	Cash Flow Going Level Per Application Before Project	Cash Flow Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
<b>AVAILABLE CASH</b>				
Operating Revenues	2,553,529	2,558,900	-	2,558,900
Other Operating Revenue	115,449	115,536	-	115,536
SB 234 Annual Working Cash Collections	246,119	246,637	-	246,637
Interest Income & Other Misc.	56,177	56,177	-	56,177
Total Cash Available	2,971,274	2,977,250	-	2,977,250
<b>OPERATING DEDUCTIONS</b>				
Operating Expenses	1,968,952	1,983,755	-	1,983,755
Taxes	67,709	67,709	-	67,709
Total Cash Requirements Before Debt Service	2,036,661	2,051,464	-	2,051,464
Cash Available for Debt Service (A)	934,613	925,786	-	925,786
<b>DEBT SERVICE REQUIREMENTS</b>				
Principal & Interest (B)	582,095	582,095	-	582,095
Other Debt	11,080	11,080	-	11,080
Reserve Account @ 10%	11,756	11,756	-	11,756
Renewal & Replacement Fund (2.5%)	72,877	73,027	(6,166) (1)	66,861
Total Debt Service Requirement	677,808	677,958	(6,166)	671,792
SB 234 Cash Working Capital	246,119	246,637	-	246,637
Remaining Cash	10,686	1,191	6,166	7,357
Percent Coverage (A) / (B)	160.56%	159.04%		159.04%
Average rate for 3,400 gallons	\$ 43.45	\$ 43.45	\$ -	\$ 43.45
Average rate for 4,000 gallons	\$ 51.12	\$ 51.12	\$ -	\$ 51.12

Staff Adjustments			
		\$	Increase <Decrease>
<u>Adjustment Description</u>			
(1)	Renewal & Replacement Fund (2.5%)		
	Per Staff Analysis	66,861	(6,166)
	Per Application with Project	73,027	

Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.

LUBECK PUBLIC SERVICE DISTRICT - WATER  
CASH FLOW ANALYSIS  
YEAR ENDED: June 30, 2024  
APPLICATION NO. 2025W-2691  
August 11, 2025

**LOAN PACKAGE  
SCENARIO 2**

	Max Rate Going Level Per Application Before Project	Max Rate Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
<b>AVAILABLE CASH</b>				
Operating Revenues	2,553,529	2,661,240	-	2,661,240
Other Operating Revenue	115,449	117,066	-	117,066
SB 234 Annual Working Cash Collections	246,119	248,101	-	248,101
Interest Income & Other Misc.	56,177	56,177	-	56,177
Total Cash Available	2,971,274	3,082,584	-	3,082,584
<b>OPERATING DEDUCTIONS</b>				
Operating Expenses	1,968,952	1,984,809	-	1,984,809
Taxes	67,709	67,709	-	67,709
Total Cash Requirements Before Debt Service	2,036,661	2,052,518	-	2,052,518
Cash Available for Debt Service (A)	934,613	1,030,066	-	1,030,066
<b>DEBT SERVICE REQUIREMENTS</b>				
Principal & Interest (B)	582,095	673,289	697 (1)	673,986
Other Debt	11,080	11,080	-	11,080
Reserve Account @ 10%	11,756	20,875	70 (2)	20,945
Renewal & Replacement Fund (2.5%)	72,877	75,660	(6,202) (3)	69,458
Total Debt Service Requirement	677,808	780,904	(5,435)	775,468
SB 234 Cash Working Capital	246,119	248,101	-	248,101
Remaining Cash	10,686	1,061	5,435	6,496
Percent Coverage (A) / (B)	160.56%	152.99%		152.83%
Average rate for 3,400 gallons	\$ 43.45	\$ 45.05	\$ -	\$ 45.05
Average rate for 4,000 gallons	\$ 51.12	\$ 53.00	\$ -	\$ 53.00

LUBECK PUBLIC SERVICE DISTRICT - WATER  
CASH FLOW ANALYSIS  
YEAR ENDED: June 30, 2024  
APPLICATION NO. 2025W-2691  
August 11, 2025

**LOAN PACKAGE  
SCENARIO 2**

	Max Rate Going Level Per Application Before Project	Max Rate Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
<b>AVAILABLE CASH</b>				
Operating Revenues	2,553,529	2,661,240	-	2,661,240
Other Operating Revenue	115,449	117,066	-	117,066
SB 234 Annual Working Cash Collections	246,119	248,101	-	248,101
Interest Income & Other Misc.	56,177	56,177	-	56,177
Total Cash Available	2,971,274	3,082,584	-	3,082,584
<b>OPERATING DEDUCTIONS</b>				
Operating Expenses	1,968,952	1,984,809	-	1,984,809
Taxes	67,709	67,709	-	67,709
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Cash Available for Debt Service (A)	934,613	1,030,066	-	1,030,066
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Principal & Interest (B)	582,095	673,289	697 (1)	673,986
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Total Debt Service Requirement	677,808	780,904	(5,435)	775,468
SB 234 Cash Working Capital	246,119	248,101	-	248,101
Remaining Cash	10,686	1,061	5,435	6,496
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Average rate for 3,400 gallons	\$ 43.45	\$ 45.05	\$ -	\$ 45.05
Average rate for 4,000 gallons	\$ 51.12	\$ 53.00	\$ -	\$ 53.00



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Harold D. Ward, Cabinet Secretary  
[www.dep.wv.gov](http://www.dep.wv.gov)

**M E M O R A N D U M**

MEMO TO: Meredith J. Vance  
Office of Environmental Health Services  
Bureau for Public Health

FROM: Brian D. Bailey   
Technical Analyst  
General Permits & Support Team

DATE: July 23, 2025

SUBJECT: Infrastructure Preliminary Application for the Lubeck PSD: Pine Run Water  
Project in Wood County, WV. (2025W-2691)

We have reviewed the above referenced project application information. The Lubeck PSD discharges its backwash to its site, which is covered under WV/NPDES Permit No. WVG640045, and expires July 18, 2028.

If the Lubeck PSD is considering repairing and painting an existing water treatment plant or storage tanks, then the scope of this project requires precautions to prevent contamination of the waters of the state. Prior to beginning any removal of old paint, the Lubeck PSD should contact Mr. Brad Wright or a member of his staff at (304)-926-0499, extension 49746 for guidance in determining whether the paint to be removed is considered a hazardous waste. If so, proper containment and disposal procedures must be followed for the paint and any material associated with the sandblasting. If it is determined that the paint is not hazardous, the Lubeck PSD should contact John Lockhart or a member of his staff at (304)-926-0499, extension 43889 for proper disposal options.

Construction activities with a disturbed area of one (1) acre or greater are now required to register for the NPDES Storm Water Construction General Permit No. WV0115924 that became

effective on April 6, 2024. Projects registered under the previous General Permit No. WV0115100 were automatically provided coverage under WV/NPDES General Permit No. WV0115924. For more information, they may contact Larry Board at (304)-926-0499, extension 43883.

In light of the above, we have no objection to this project as long as the appropriate provisions are taken to assure compliance with Chapter 22, Article 11, of the Code of West Virginia and any associated regulations. The responsible party may contact Mylinda Maddox (304) 926-0499 ext. 43825, should additional information be required.

BDB:mam

cc: Katheryn Emery